 <b>Missouri Department of Natural Resources Administrative Policies and Procedures</b>		
<b>Chapter 7 Financial Management/Purchasing Payments Policy</b>		
<b>Payment Procedures</b>	<b>Effective date</b>	<b>Revised</b>
<b>Number: 7.07-01</b>	<b>July 1, 2005</b>	

## REFERENCES

State Financial Administration RSMo Chapter 33

Preapproval of Claims and Accounts 1 CSR 10-3.010

State of Missouri Travel Regulations 1CSR 10-11.010

State of Missouri Tuition Reimbursement Policy <http://oa.mo.gov/commissioners-office/policies/administrative>

State of Missouri Reimbursement of Professional Dues and Organizational Memberships Policy <http://oa.mo.gov/commissioners-office/policies/administrative>

### *Related DNR policies and procedures*

Training and Education 5.07

Out of State Travel 6.02

Expense Accounts 7.01

Relocation and Recruitment Expenses 7.03

Purchasing 7.06

Procedures to Purchase Cell Phones 7.06-02

Use Statewide Policy Wireless Telephone Equipment and Services Usage  
<http://oa.mo.gov/commissioners-office/policies/administrative>

Department Provided Food At Meetings and Events Procedures 7.06-03

Use Statewide Policy Agency Provided Food Policy  
<http://oa.mo.gov/commissioners-office/policies/administrative>

### *Related DNR resources*


DNR Accounts Payable Disbursements SAM II Training Manual

DNR Chart of Accounts and Budget Control SAM II Training Manual

DNR Fixed Assets SAM II Training Manual

DNR Purchasing SAM II Training Manual

DNR State Purchasing Card Process Manual

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## DEFINITIONS

*Accounting distribution:* The codes used on a purchase/payment document to properly charge the transaction to a fund, agency, organization/sub-organization, appropriation, object code/sub-object code and, when required, an activity, function, job/project, and reporting category.

*Data entry:* The employee responsible for processing an invoice, expense account, or other claim for payment and data entry of the transaction into the official state system.

*Reviewer approval:* The employee responsible for the review and/or approval of a payment transaction entered into the official state system.


## GENERAL PROVISIONS

Various staffs have responsibilities during the payment process. The following outlines the basic responsibilities for payment processing with the involved staff identified as either reviewer approval (R) or data entry (DE).

### Payment review

Review of each payment request must ensure that the requirements stipulated in the Expense Account Review Checklist (Attachment 1) or the Payment Review Checklist (Attachment 2) have been met. In addition, the following requirements for the purchase or expenditure must be satisfied prior to approval for payment:

- documents that the goods or services have been received (DE)
- checks that a prior year claim is paid from a current year appropriation only if the vendor presented the claim within two years and was appropriately authorized (R)
- uses object codes related to the descriptions of the goods and services purchased (DE/R)
- correctly calculates claims for late payment penalties according to RSMO 34.055 and Office of Administration procedures and codes appropriately (DE/R)
- confirms correct accounting distribution used for the payment (R)
- checks that expenditures paid from the federal 0140 fund and any required matching funds include a reporting category code in the accounting distribution (R)
- confirms proper purchasing contract used and original purchase order referenced (R)
- meets applicable state statutes and policies and state and federal regulations (R)

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*In cases where the payment is to reimburse the normal approver for travel or educational expenses, or to make payment on the normal approver's purchasing card account, an alternate SAM II approver should apply approval.*

### **Invoice requirements**

Each vendor invoice must:

- be billed to the department (department/division/program/facility) (DE)
- be on the vendor's original descriptive business invoice form (DE)
- be itemized (date purchased, products/services purchased). The documentation must sufficiently relate the expenditure to the program. Unsupported charges or past due balances on a current invoice are not acceptable. To be paid on a current invoice, past due amounts must be itemized or invoiced separately. A periodic statement of account is not an invoice; (DE)
- be dated within the fiscal year being charged if possible. If not possible, the invoice should indicate that services were provided within the fiscal year being charged. (DE)
- show agreement between the vendor name and address with the vendor name and address on the SAM II payment document screen (DE/R)
- show agreement between the amount to be paid on the vendor invoice with the amount on the SAM II payment document screen (DE/R)
- reimbursement to an employee for course tuition and/or fees must include evidence of course completion, division approval, and proof of payment. The amount reimbursed must not exceed the guidelines established by the State of Missouri Tuition Reimbursement Policy and must comply with the department and division requirements. (DE/R)

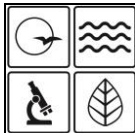
Invoices that do not contain the above information are ineligible for payment.

Attachment 3 provides instructions for submission of the original supporting documentation (original vendor invoices, out-of-state travel forms, etc.) to the Division of Administrative Support's Accounting Program.

### **Ineligible claims for payment**

The following is a listing of claims that are ineligible for payment:

- those not directly related to the transaction of state business



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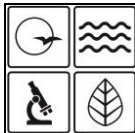
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- claims for payment before the goods or services have been received. (Exception - advance payment is allowed for the following: those types of items or services for which payment in advance is the normal business practice such as magazine subscriptions, conference registrations or postage; when the vendor requires prepayment as a condition of the sale; or for advance payments to a grantee/sub-grantee when provided for in the award document. The invoice must clearly state the prepayment requirement)
- employee parties
- employee gifts or receptions (Exception: retirement, service and other recognition award gifts that represent a token of recognition and not a reward with a cash equivalent or substantial monetary value. Expenses for recognition receptions should be at a nominal price per person attending and reasonable in relation to the circumstances of the award as stipulated in the State of Missouri Agency Provided Food Policy)
- department team uniforms
- holiday cards and decorations (Exception: “open house” special events hosted for the public)
- personal club memberships
- memorial flowers
- political and charitable contributions
- traffic tickets
- repair of damages or loss of employee’s personally owned property
- payments to employees or others for goods or services provided that they are not generally engaged in the business practice of selling such goods or services (e.g. cannot pay a co-worker/friend/relative/neighbor to move your household or to rent/buy their personally owned property)
- claims for late payment penalties that are not separately billed
- claims to establish imprest funds that are not authorized by law or to increase established funds over the maximum amount allowed by law
- claims to reimburse imprest funds for expenditures that are not incidental in nature, registration fees, or purchases that circumvent state purchasing procedures
- claims for services provided in the next fiscal year cannot be charged to the prior year appropriation(s). (Exception: subscriptions, membership dues, post office box rental, maintenance agreements and premium payments for insurance coverage that may overlap into the next fiscal year; if the terms of a service contract offering a cost savings discount requires immediate payment; registration fees when time is insufficient to process the payment in the next fiscal year or other service fees normally paid in advance per business practice)



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- payment for individual license or certification fees when these licenses or certifications are required to perform a job by law (e.g. attorneys practicing law in state agencies). It is assumed that the license or certificate is a condition of employment and employees should pay this expense.

## **Attachment 1**

### **Expense Account Review Checklist**

DE = data entry, R= reviewer approval

#### **Expense account reimbursements (PVE)**

1. Monthly Expense Report document (DE/R):

- ORIGINAL signature of the employee/claimant and the supervisor/approver
- SAM II document number in upper right in the format PV 780 Xorg#ynnnnn
- Explanation of miscellaneous incidental expenses must be recorded
- DB (for direct billed) marked in the Lodging &/or Bus/RR/Air columns when applicable (meals and phone cannot be direct billed)

2. Required Supporting Documentation (DE/R):

- Out-of State Travel Authorization for all trips out of Missouri
- Itemized hotel receipt showing amount paid with a balance due = \$0.00
- Paid receipts for commercial transportation (e.g. airfare, bus, rental car)
- Paid receipts for conference registrations or training
- Paid receipts for itemized incidental expenses (e.g. small emergency office/field supplies, state vehicle repairs/gasoline)
- Documentation of Division Director approval of moving expense reimbursement

3. SAM II Document (DE/R):

- Date of Record = date employee signed the expense account form
- Invoice number = MMMYY (e.g. OCT04 the month/year the costs were incurred)
- Employee name matches the claimant name on the expense account form

4. Review of expense account reimbursement requests must ensure:

- Compliance with *State of Missouri Travel Regulations*, 1 CSR 10-11.010  
<http://www.sos.mo.gov/adrules/csr/current/1csr/1csr.asp>
- Mileage reimbursed at current rate per mile ordered by the commissioner of administration
- “12 Hour Travel Status” noted in the From/To & Purpose field for day trips that include expense for meals (must be supported by timesheet documentation on file in the organization).
- Expenses reasonable in relation to business need

## **Attachment 2**

### **Payment Review Checklist**

DE = data entry, R= reviewer approval

#### **Unencumbered payments (PVQ)**

1. Vendor invoice (DE/R)

- Periodic account summary statement should not be used as an invoice
- Invoice total not exceed \$3,000 unless exempt object code e.g. utilities
- Tax exempt for Missouri State sales tax and federal excise taxes (pay local taxes)
- Document number printed in upper right hand corner

2. Required documentation (DE/R)

- Out-of State Travel Authorization for direct billed expenses (e.g. hotel, air)
- Agency provided food (object code 2991) requires list of attendees and statement of meeting purpose/agenda
- Documentation of division director approval of moving expenses

3. SAM II document (DE/R)

- Refer to the SAM II procedures on the Intranet
- Refer to the DNR Accounts Payable Disbursements training manual available in the DNR Reference Library under SAM II/Financial/Training
- Refer to the DNR Fixed Assets training manual available in the DNR Reference Library under SAM II/Financial/Training
- Refer to the DNR Purchasing training manual available in the DNR Reference Library under SAM II/Financial/Training

## Attachment 3

### Original Invoice Filing Instructions

The Office of Administration (OA) requires the state agencies be responsible for filing and retrieval of the original supporting documentation for all documents where agencies apply the final approval. These documents will no longer be sent to OA Accounting.

All original supporting documentation (i.e. original vendor invoices, receipts, and supporting documentation such as the Out-of- State forms) for all payments (encumbered and unencumbered) will now be sent to the Division of Administrative Support Accounting Program (AP) for filing and retention until it is eligible to be sent to the Secretary of State, Records Management Division (SOS/RMD).

When FY06 closes in the system, the files are considered inactive. The agency must retain the records on-site for one year after that fiscal year closes. At the same time, the agency will be retaining the files for the new fiscal year. The AP has evaluated our file storage space and determined that we have adequate space to accommodate the filing. After closed files have been stored on-site for two years, they will be sent to Secretary of State's Records Management Division for the remainder of the retention period. The retention period is generally 5 years total except for specific circumstances (i.e. grants requiring a minimum 10-year retention period).

#### Original supporting documentation submission

To submit your original supporting documentation to AP, please:

- 1) Verify in DXRF that your document has processed through SAM II.

Document ID	Reference Document ID	Acceptance Date	Doc Action	Amount	Closed Date	Reference Doc Released Amount	Vendor / Prov
PV 780 Q3460500804				1,386.80			
1	AD 00001007296	06 27 05		1,386.80		1,386.80	4149011930 0
2	PV 780 Q3460500804	06 27 05	E	1,386.80	06 29 05	0.00	4149011930 0
3	VI 0055667-IN	06 27 05	E	1,386.80	05 18 05	0.00	4149011930 0
4							
5							
6							

- 2) Small documentation items should be attached to an 8 ½" x 11" sheet of paper before being sorted for filing.
- 3) In the top right corner of the original invoice, write the payment document number and payment voucher acceptance date. Please remember that if the invoice is not an original, then the invoice should be stamped (or written) that is not the original and was the only invoice received.
- 4) Sort the documents by document type, agency number, then document number. (Acceptance date is no longer a sort requirement.) Clip sorted documents of the



same document type together. Documents with special retention period requirements should be sorted separately and the retention requirement, as well as the specific mandating statute or regulation, should be noted clearly on top.

- 5) Using interagency mail envelopes, send the documentation to AP weekly, or daily as volume necessitates. A separate envelope is recommended for documentation requiring a special retention period. Original invoice filing should be addressed to “AP File Clerk” at DAS Accounting Program.
- 6) U0 copies (an invoice photocopy that is mailed out with the vendor check when needed) should be sent to AP in separate envelopes and should be clearly marked as “U0 copies” on the top of the stack. U0 copies should be addressed to Beverly Bond in AP.

#### Original supporting documentation filing

A query will be run daily by AP to determine what documents have made it to accept status. Using the query results as a log, the AP file clerk will identify the original invoice documentation for each document as it is received. Once it has been determined that all supporting documentation for a document has been received, the document will be checked off on the log and the documentation will be filed in proper sequencing per the Secretary of State, Records Management Division guidance. If supporting documentation has not been received after three weeks from the acceptance date, the AP file clerk will make contact with the division/program to inquire as to status of the documentation.

#### Original supporting documentation retrieval from AP

If original supporting documentation needs to be retrieved, the division/program should send an email request to the AP file clerk’s supervisor. In the request, identify the document number, acceptance date, reason for request, and method of response (i.e. fax, inter-agency mail, or pick-up). The AP file clerk will pull the documentation within 3 working days. If quicker turnaround needed, please indicate in your request. Photocopies of the applicable documentation will be sent to the division/program.